

9800 Fredericksburg Road
San Antonio, Texas 78288



Arizona Department of Insurance
Attention: Brenda Evans
100 North 15th Avenue, Suite 261
Phoenix, AZ 85007-2630

June 8, 2022

Case Number:	48686
Complainant:	Jeremy R. Whiteley
Policy Number:	7778375 90A
Policyholder:	Jeremy R. Whiteley
Claim Number:	7778375 029
NAIC Code:	200-25968
Company:	USAA Casualty Insurance Company
Date of Loss:	March 10, 2022

Dear Ms. Evans:

We received your correspondence dated May 18, 2022, regarding the complaint filed in your office by Mr. Jeremy R. Whiteley. USAA Casualty Insurance Company is the homeowners insurance carrier for Mr. Whiteley and the property located at 6721 East McDowell Road Unit 322c in Scottsdale, Arizona. The property is insured under the HO-6R(02) (07-08) policy form and edition.

On April 21, 2022, Mr. Whiteley filed a claim for being named in a lawsuit. The lawsuit alleged Mr. Whiteley engaged in cyber hacking directed at Breaking Code Silence (BCS), including but not limited to the unauthorized access of servers and networks. The next day, we spoke with Mr. Whiteley, who stated he never accessed any of the servers. Furthermore, he stated the lawsuit stemmed from a resignation from the BCS board and retaliation from the CEO.

We completed a review and confirmed the circumstances of the lawsuit did not meet the policy's definition of Bodily Injury or Property Damage to trigger a defense. On April 27, 2022, we spoke with Mr. Whiteley, who stated he retained his own legal representation; however, he believed his policy should provide coverage. After completing another review, we emailed Mr. Whiteley on May 16, 2022, confirming there was no duty to defend. That same day, our Manager of Claims Operations (MCO) spoke with Mr. Whiteley and explained our coverage decision. On May 17, 2022, we sent Mr. Whiteley a coverage decision letter.

We completed a subsequent review of the claim file and confirmed we spoke with Mr. Whiteley on April 22, 2022. At that time, we informed Mr. Whiteley that it appeared the loss did not meet the policy definition of an occurrence. Mr. Whiteley indicated he had already reached out to an attorney for legal advice. Upon completion of our coverage reviews, we determine there was no duty to defend. On May 16, 2022, we informed Mr. Whiteley of our coverage decision. Our review confirmed we responded to Mr. Whiteley's Claims Communication Center messages in a timely manner; however, our MCO noted an opportunity for our adjuster to return Mr. Whiteley's voice message of April 27, 2022.

Our response includes privileged and confidential information and documents. Supporting documents addressed to or regularly available to the complainant as part of the claims handling or policy servicing are marked as confidential and intended for release solely to the complainant or their representative(s). Documents marked for regulatory purposes only are privileged and intended solely for the Department's internal use in resolution of the complaint. If the Department receives any requests for disclosure of the confidential or privileged information outside of its intended purposes, we request

notification of such a request, addressed to the undersigned, at least five business days prior to disclosure.

If Mr. Whiteley has any questions regarding the claim, he can contact MCO Alisa Kuzma-Holmes at (210) 531-8722, Extension 56416. If the Department has questions regarding our response, please contact me at (210) 634-0739 or via email at executivecommunications@usaa.com.

Sincerely,



Eric Mullett
Regulatory Analyst I
P&C Chief of Staff
USAA Casualty Insurance Company

Attachments: Claim file, coverage decision letters, homeowners policy, and umbrella policy